

**TECHNICAL UNIVERSITY OF MOMBASA.**

**FACULTY OF BUSINESS STUDIES.**

**DEPARTMENT OF MANAGEMENT SCIENCE.**

**DIPLOMA IN LOGISTICS AND TRANSPORT MANAGEMENT.**

**BLT 2208: ADVANCED PROCUREMENT**

**TIME: 2HRS.**

**APRIL 2016 SERIES.**

**INSTRUCTIONS:**

**Answer question ONE and any other TWO questions.**

**BLT 2108: ADVANCED PROCUREMENT**

**A**

**QUESTION 1**

Litha Ltd is a medium sized firm that deals with beauty products.

- a) Explain the challenges the firm will face when it undertakes global procurement. (10mks)
- b) Evaluate the criteria the firm will adopt to select a supplier. (10mks)

- c) The reason why the firm will prefer to buy instead of making their own products. (10mks)

**QUESTION 2**

- a) Identify and explain five ways price level of a product can be determined. (10mks)
- b) Discuss the benefits of small volume purchase. (10mks)

**QUESTION 3**

- a) Explain the significance of adopting Material Requirement Plan, (MRP)(10mks)
- b) Discuss the objectives of purchasing as a function. (10mks)

**QUESTION 4**

- a) Using a well labeled diagram, explain the purchase cycle. (10mks)
- b) Explain the significance of inventory management. (10mks)

**QUESTION 5**

- a) Discuss the significance of purchase contract to business firms. (10mks)
- b) To what extent is e-procurement significant to a firm ? (10mks)